At Singapore Market SGD is quoted at:

Spot	USD 1 = SGD 1.4004/4078
1 month Forward	70/75
2 month Forward	110/115
3 month Forward	150/155
4 month Forward	190/195
5 month Forward	230/235
6 month Forward	270/275

Transit Period in 25 days. Exchange Margin required is 0.10%. What rate will you quote to your customer?

Unit-IV

8. List out the various ways of forward contract and explain early delivery of forward contract with example. 10

9. Explain: 6+4=10
   (a) Cancellation of Forward Contract on due date.
   (b) Discuss the role of international market in foreign exchange market.

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Roll No. ____________

MS-3115

M.B.A. (I.B.) (Semester-II) Examination, 2015

Foreign Exchange Management

(I.B.-022)

Time Allowed : Three Hours] ***[Maximum Marks :70***

Note : Question No. 1 is compulsory. Attempt four other questions, selecting one question from each unit.

1. Write short notes on the following: 3×10=30
   (a) Need of Exchange Margin.
   (b) Objectives of Exchange Control.
   (c) Duration and Validity of option period in Forward Contract.
   (d) Indirect Quotation
   (e) Role of CHIPS.
   (f) Participants in foreign exchange market.
   (g) Concept of Cross Rates.
   (h) Role of EEFC Account.
   (i) Concept of Telegraphic Transfer in Ex-

change market.

(j) Location of foreign exchange market.

Unit-I

2. Discuss the administrative set-up of foreign exchange management in India and briefly explain the role of Authorised persons and FEDAI in it. 10

3. Explain Fixed and Floating Exchange Rates along with their merits and demerits. 10

Unit-II

4. What do you understand by Forward Margin? Discuss the factors affecting forward margin. 10

5. On 26th August on exporters tenders for purchase a bill payable 60 days Sight and drawn on NewYork for USD 25,650. The Dollar/Rupees rates in the interbank market were as under: 10

Spot	USD 1= Rs.48.6525/6850
Sept.	1500/1400
Oct.	2800/2700
Nov.	4200/4100
Dec.	5600/5500

Exchange margin of 0.10%, Rate of Interest is 10% P.a.

What is the rate to be quoted to the customer and rupee amount payable to him?

Unit-III

6. Draw the specimen for calculating Forward buying & selling rates for Euro and sterling. 10

7. Your customer requests on 8th May to book a forward contract to cover an export bill for Singapore Dollers 1,00,000 drawn on Singapore and payable 30 days after sight, with option to him over the month of July. The following rates prevail in the interbank market for USD: 10

Spot	USD 1 = Rs.49.4875/4925
May	1600/1700
June	3100/3200
July	4600/4700
August	6100/6200
Sept.	7600/7700
Oct.	9100/9200